

Policy Statement P-4-5

Effective: February 9, 2006

Restrictions on Examiners' and Specialists' Consecutive Survey or Examination Responsibilities

(1) Restrictions on examiners' (defined as including both domestic and international) and specialists' consecutive examination or survey of taxpayers:

An examiner or specialist may not examine or survey a tax return of a taxpayer for more than 5 consecutive years (60 months) from date of assignment. If the examination is in process at the 5 consecutive year point, the examiner or specialist is allowed to complete the examination provided the current cycle or audit has less than 12 months remaining from the 5 consecutive year point. An examiner or specialist will not be reassigned to the same taxpayer for at least 1 intervening examination or 2 intervening surveys.

For LMSB and TE/GE taxpayers, an examiner's or specialist's assignment of 25 staff days or less is not considered part of the examination (not to include survey actions) for purposes of application of this Policy Statement. SB/SE Area and Specialty Programs Directors, LMSB Industry Directors, and TE/GE Directors are responsible for approval of any deviation requests in advance, before initiating a new survey or examination. A deviation is 1 examination. The LMSB International Examiner's Industry Director will approve deviation requests for international examiners. In situations that involve LMSB field specialist examiners, the Director, Field Specialists will be the approving official who signs the deviation.

(2) Restrictions on an LMSB Team Manager's and TE/GE Team Examination Manager's engagement on consecutive examinations or surveys of LMSB taxpayer returns or a taxpayer's return included in a TE/GE Team Examination Program:

LMSB Team Managers and TE/GE Team Examination Managers should not be engaged in the examination or survey of an LMSB taxpayer or a taxpayer included in a TE/GE Team Examination Program for more than 5 consecutive years (60 months) from date of assignment. If the examination is in process at the 5 consecutive year point, the manager is allowed to be engaged in the examination provided the current cycle has less than 12 months remaining from the 5 consecutive year point. LMSB Team Managers and TE/GE Team Examination Managers will not be reassigned to the same taxpayer for at least 1 intervening examination or 2 intervening surveys.

Specialty Team Managers, including International Team Managers, are excluded when they are performing normally recurring responsibilities as specialty managers and international managers. However, if a specialty team manager or international team

manager is serving in the capacity as a team case manager, they are subject to the Policy Statement P-4-5 rotation requirements of LMSB team managers.

(3) One Deviation Limit:

In the case of LMSB Division-initiated deviations that are described in sections (1) and (2) above, there will be a limit of one deviation per employee per case that may be approved by the Industry Director or Director, Field Specialists.

In the case of SB/SE and TE/GE Division-initiated deviations that are described in sections (1) and (2) above, there will be a limit of one deviation per employee per case or audit that may be approved by the appropriate SB/SE and TE/GE Director.

In the rare instance(s) in which additional deviations are required for the same employee(s) for effective tax administration, those deviations will be approved by the Deputy Commissioner for Services and Enforcement.

(4) Monitoring responsibilities:

Group Managers in SB/SE, Team Managers in LMSB, and Team Examination Managers in TE/GE will monitor case or return assignments to examiners to ensure that proper case or return rotation practices are followed. Industry Directors will monitor assignment of Team Managers on LMSB cases. TE/GE Directors will monitor assignment of TE/GE Team Examination Managers on TE/GE Team Examination Program cases. In situations that involve LMSB field specialist examiners as defined in sections (1) and (2) above, the Director, Field Specialists will monitor case assignments to field specialist examiners to ensure that proper case rotation practices are followed.

(5) Restrictions on changes in post of duty of employees solely for case rotation:

An employee will not be required to involuntarily transfer from a post of duty solely for case or return rotation purposes unless no reasonable alternative exists. However, changes in posts of duty of an examiner or a specialist may be made when staffing imbalances or other needs of the Service require such action in accordance with applicable IRM and National Agreement provisions.

The following table (Approval Authority Matrix) summarizes specific approval authority for deviation requests according to Operating Division (LMSB, SB/SE, and TE/GE).

Approval Authority Matrix			
	LMSB	SB/SE	TE/GE
Domestic	Industry Director	Area Director	Director
International	Industry Director	Director, Specialty Programs	Director
Field Specialists/Specialty Examiners	Director, Field Specialists	Director, Specialty Programs	Director, Field Specialists (LMSB)

Approved: Mark E. Matthews, Deputy Commissioner for Services and Enforcement